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SENT VIA CERTIFIED MAIL

May 24, 1999

Sherry Estes, Esq.
Office of Regional Counsel
U.S. Environmental Protection Agency
Region V
77 West Jackson Boulevard (C-29A)
Chicago, IL 60604

Re: Skinner Landfill

Dear Ms. Estes:

As you may be aware, Marathon Oil Company entered into a *de minimis* settlement agreement earlier this year with the Plaintiffs in the Skinner Landfill private cost recovery action in the United States District Court for the Southern District of Ohio. In addition to providing for settlement of Plaintiffs' claims regarding their past costs at the Skinner Site, that agreement requires certain of the Plaintiffs to seek to negotiate a *de minimis* settlement between Marathon Oil Company and the United States (on behalf of the U.S. Environmental Protection Agency ("EPA")) that is at least as protective of the company's interests as are the terms of EPA's Model *De minimis* Consent Decree set forth in the December 7, 1995 Federal Register.

It is Marathon Oil Company's understanding that EPA, Region V has now determined what information it will require in order to determine that Marathon Oil Company qualifies for a *de minimis* settlement at this Site. That information consists of: (i) the summary of each *de minimis* settlor's waste-in volume and percentage share of Site costs, as determined by the Allocator in the Final Allocation Report from the Skinner Alternative Dispute Resolution process, and (ii) the narrative description of the Allocator's findings for each *de minimis* settlor, as set forth in the Preliminary Allocation Report and, where the Allocator supplemented or altered those findings in the Final Allocation Report, the Final Allocation Report.

Accordingly, I am enclosing the information requested by EPA for Marathon Oil Company. I believe that this information amply demonstrates that Marathon Oil Company is entitled to a *de*

Sherry Estes, Esq.

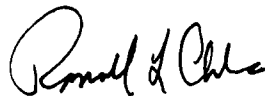
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minimis settlement consistent with EPA's model *de minimis* settlement decree. Marathon Oil Company understands that EPA and Plaintiffs in the private cost recovery litigation will allocate among themselves the monies to be paid by Marathon Oil Company in settlement of the claims of Plaintiffs and the United States. By making this settlement offer, Marathon Oil Company does not acknowledge any liability for response costs at the Skinner Site.

In order to ensure that Marathon Oil Company is able to avoid the incurrence of additional transaction costs in connection with the ongoing Skinner cost recovery litigation, Marathon Oil Company strongly urges EPA to finalize an appropriate *de minimis* settlement as expeditiously as possible. Each timely action would fulfill the statutory objectives of Section 122(g) of CERCLA and EPA's *de minimis* settlement policies, as well as provide needed funds for response actions at the Skinner Site. Please note that I'm handling this matter on behalf of Marathon Oil Company. You may contact me at the above telephone number and address for matters pertaining to Marathon Oil Company's involvement with the Skinner Site.

Sincerely,



Ronald L. Andes

RLA:107636

Enclosure

cc: J. M. Miller/Houston
M. B. Mick/Room 7026
L. P. Galusky/Room 7026

Marathon Oil Company

Settlement Amount: \$2,000.00

Excerpt from Allocator's Preliminary Report :

Marathon Oil Company ("Marathon") and Speedway SuperAmerica LLC ("Speedway") have been identified as PRPs because MVM, Inc. alleged that it transported certain materials to the Skinner Site from seven service stations in connection with certain construction/repair work. Marathon Oil Company has by contract agreed to retain CERCLA liability arising from the generation and off-site disposal of wastes from Marathon and Emro assets transferred to Marathon Ashland Petroleum LLC and Speedway.

Marathon believed these materials may have come from the current and former Marathon and Speedway retail gasoline stations named below.

Location	Work Performed	Waste Disposal/Salvage Materials (according to Skinner tickets)
Marathon Oil (f/d/b/a Marathon Petroleum Company)		
Station #1466 101 Reading Rd & Main St. Mason, OH	1984 store remodel	Marathon states: rock (probably concrete)—1,000 lbs. Skinner tickets show: (1) 500 lbs. "rock;" (2) 1 "load" rock.
Station #2904 Anderson Ferry Rd Cincinnati, OH	1984 tank repair	rock and dirt 4,000 lbs.
Speedway (f/d/b/a Emro Marketing Company)		
Bonded Oil Station #1183 Route 123 Amelia, OH	1984 repair of water line leak	Marathon states: concrete—2,000 lbs.; Skinner ticket shows: 1 ton w/ no description except pre-printed "Garbage."
Bonded Oil Station #1082 6430 Colerain Ave. Cincinnati, OH	1984 tank removal	Marathon states: rock—6,000 lbs.; Skinner ticket shows same.
Bonded Oil Station #1086 North Bend Road Cincinnati, OH	1985 tank replacement	Marathon states: concrete—unknown quantity; Skinner ticket says: 1 gas tank
Bonded Oil Station #1064 6415 Madison Rd. Cincinnati, OH	1985 tank replacement	Marathon states: 5 empty steel tanks; Skinner invoice says: 1 load waste, 3 tanks, 1 tank, 1 hot water tank

Location	Work Performed	Waste Disposal/Salvage Materials (according to Skinner tickets)
Bonded Oil Station #1511 605 Columbus Ave. Lebanon, OH	1985 tank replacement	Marathon states: 2 loads of unidentified materials; no Skinner document--just handwritten note indicating Skinner's disposal--2 loads.

Marathon stated that the Emro stations did not generate waste oils and, therefore, the concrete, rock and soil would not contain any waste oil. The various documents that provide the nexus to Skinner do not mention any CERCLA hazardous substance. The company believed that the tanks that went to Skinner had previously contained gasoline but that MVM was required by contract to empty and clean the tanks. Marathon says that the tanks contained a "film of tank material" after they were emptied prior to transport.

Some of the stations are listed as belonging to Bonded Oil Company. Marathon stated that it purchased 100% of the stock of Bonded Oil Company in 1975. Marathon merged Bonded into Emro in November 1976 and Emro was merged into Speedway in 1997.

It appeared that Marathon hired MVM to perform construction-related work at a number of service stations in the Cincinnati area in the mid 1980s. The course of dealing between Marathon and MVM included having the appropriate Marathon entity execute a Bill of Sale for the storage tanks that were being removed from the property. MVM paid a nominal \$1.00. bought the tanks "as is," acknowledging that the tank "may contain flammable, combustible, explosive, and/or toxic liquids or vapors," and indemnifying the seller in connection with the tank and its contents.

Neither Marathon nor Emro has been able to locate any documents in their files relating to any disposal at Skinner. However, they have documented a business relationship with MVM that included the remodeling and/or repair of a number of service stations. Marathon and Emro believe that only non-hazardous materials were sent to the Site.

#1466 – Mason, OH Service Station. This facility at 101 Reading Road & Main Street was acquired by Marathon in 1962. Marathon leased the station to various operators until it was transferred to Emro Marketing in 1988. Apparently it then became known as Speedway station #3396. The independent operators sold Marathon branded gasoline and other products and may have also provided various motor vehicle repair services. Speedway has used the property since 1993 to sell gasoline and convenience store items such as motor oil, windshield washer fluid, milk, pop, candy, other foods and cigarettes.

In 1984, MVM was retained by Marathon to remodel the station. MVM documents indicated that "rock" was taken to the Skinner landfill during this remodeling job. Marathon speculated that this rock resulted from a tank excavation. It appeared that there were two dump truck loads of rock amounting to 1,000 lbs. Marathon stated that the values reported on the two Skinner tickets represent the Work Order numbers and not the weight of the rock. This appeared to be a one-time disposal, Marathon argued.

Marathon documents for the work done by MVM at this station contain a Bill of Sale dated January 30, 1984 whereby Marathon transferred title to four underground storage tanks to MVM. The job encompassed tank removal and replacement, excavation, demolition, piping, overhead doors, various electrical work, signs, lights, etc.

#2904 – Anderson Ferry Road, Cincinnati Station. Marathon leased this property from 1962 - 1988, in turn subleasing the station to various independent dealers who sold Marathon branded products. In October 1988, Speedway acquired this station, which it designated #5268. Since Speedway's acquisition, the station has been operated as a retail convenience store which sells gasoline and various convenience store items.

Rock and dirt were transported to Skinner by MVM from this location in 1984. This appeared to be in connection with MVM's repair of underground storage tanks for Marathon. Documents in Marathon's files referred to the replacement of 4" fills. MVM documents indicated the volume was 4,000 lbs of rock to Skinner but the disposal site for the dirt was not specified. A Skinner ticket dated May 23, 1984 indicated MVM disposed of 4,000 lbs and the word "rock" is written on the ticket. The company said that this appeared to be a one-time disposal.

The MVM work at this station included cutting the concrete, excavating and replacing tank fills, backfilling and repairing the concrete. A Marathon employee's note dated July 27, 1984 indicated that water was entering the tanks. The tanks were tested and found tight and the fills were replaced to stop the infiltration of water.

#1183 – Amelia, OH Station. This facility was on Route 123 and operated under the Bonded name. Marathon purchased the property in 1982 and thereafter leased it to Emro. In February 1989 the property was conveyed to Emro. This station sold gasoline and convenience store items. According to the MVM documents, it appeared that 2,000 lbs of concrete and dirt were sent to Skinner in connection with MVM's repair of a water line in 1984.

#1082 – Colerain Avenue, Cincinnati Station. This gasoline service station was acquired by Marathon in connection with the purchase of Bonded in 1975. Through mergers the station became a Speedway property in 1997.

The work at station #1082 was described on an MVM invoice as follows: "May 1984 Demolish concrete, excavate and remove slop oil tank. Backfill and repair concrete." A revised invoice dated March 1985 indicated that MVM demolished concrete, excavated and removed the existing tanks and installed three new tanks and lines and replaced broken and rusted conduits to three existing dispensers and one flood light. A Skinner disposal ticket indicated 6,000 lbs (3 tons) and the word "rock" is written in. It appeared that the tanks were not included with the rock disposed at Skinner because the charge for disposal was only \$15 and other Skinner tickets/invoices indicate \$15 for each load and each tank. However, it is not clear if any of the piping or conduit was included in the waste. The Bill of Sale dated December 17, 1984 included three tanks sold to MVM for \$1.00.

#1086 – North Bend Rd., Cincinnati Station. Marathon acquired this station as part of the Bonded acquisition in 1975. A June 1985 MVM invoice indicated that the job it performed for Marathon at this station included removing old tanks and installing new tanks and piping. Marathon stated that the MVM documents suggested disposal of an unknown

quantity of concrete at Skinner. An MVM Job Report noted "remove concrete and haul to dump." However, the one Skinner ticket is dated June 5, 1985 and said "1 gas tank." The Bill of Sale dated May 17, 1985 listed 4 tanks sold to MVM. A document that appears to be a memorandum dated October 7, 1985 to Bonded Oil, perhaps from MVM, listed the work done at this location. It included among other things, removing a concrete island, excavating and running new conduit and replacing extra concrete and asphalt due to a hole cave-in.

#1064 – Madison Rd., Cincinnati Station. This was also a former Bonded station now operated by Speedway. The MVM documents identified the transfer of five steel tanks to Skinner which the company presumed to be sized as follows: 1 - 12,000 gallon; 3 - 6,000 gallons; 1 - 2,000 gallon. The company stated that this was a one-time event.

A Marathon document entitled *Authority for Expenditure* and dated Nov. 26, 1985 addressed this proposed work. It described the work as replacing old tanks, installing new piping and adding premium unleaded gasoline. For the reasons for undertaking the work, the following is typed in: "Emergency tank situation."

In connection with this service station, the company submitted a copy of a Skinner invoice to MVM dated Sept. 4, 1985 which listed the following items as having been disposed: 1 load waste, 3 tanks, 1 tank, and 1 hot water tank. A notation indicated that this invoice was paid by check no. 16627. However, another notation indicated that this invoice was associated with MVM job no. 16466. Other documents for the work at Madison Rd. had the job number as 16622. A Skinner ticket dated Nov. 8, 1985 said "one tank \$15.00." This did not appear to overlap with the September invoice because this ticket was dated two months later and indicated it was paid by check no. 16928. A letter dated October 28, 1985 stated that the construction work at this station was to commence on November 4, 1985. The ticket for the disposal of one tank on November 8 would be consistent with work beginning a few days earlier and would indicate that the September Skinner invoice would have to be associated with a different location. The Bill of Sale for the tanks at the Madison station stated that six tanks were transferred to MVM on October 23, 1985. It was not clear why one tank would be disposed of at Skinner rather than all tanks removed from the same site.

#1511 – Lebanon, OH Station. This was another former Bonded station now operated by Speedway. Marathon stated that the MVM nexus package indicated that two loads of unidentified materials were taken to the Skinner Site. There were no invoices or tickets from Skinner but a handwritten note indicated job no. 16625, November 27, 1985, Skinner's Disposal, 2 loads, \$30.00 and a notation "ticket missing." The company speculated that the loads consisted of rock, dirt or broken concrete in connection with the replacement of underground storage tanks in Dec. 1985. The Bill of Sale for this location, dated October 29, 1985, indicated that six tanks were removed. This is MVM job no. 16625.

Investigation. Marathon stated that it did not attempt to locate or interview station or district managers to determine if they remember waste haulers listed on Exhibit A. The reasons cited were the manner in which the Human Resources files were set up, the "non CERCLA hazardous waste nature of the store waste," the turnover of station managers and the limited time to respond to the Questionnaire.

MVM's Questionnaire Response. MVM estimated that 20 cys of construction debris was taken to the Site from Marathon-related jobs. As is discussed in the MVM analysis, I am not assigning a waste-in amount for the tanks taken to the Site by MVM.

Waste-in Amount. I am assigning one-half of 20 cys, or 10 cys, to Marathon as its waste-in amount.

Final Allocation Recommendations in Alphabetical Order, Skinner Landfill Superfund Site, April 12, 1999

Name Of Party	Solid Waste in Cys	Liquid Waste in Gallons	Solid Waste In Total Cys 372908	Percentage	Liquid Waste In Total Gallons 262252	Percentage	Solid Waste	Liquid Waste	Owner/ Operator & Part of	Rest of Chem- Dyne	Total
MARATHON OIL COMPANY	10	0	372908	0.0027%	262252	0.0000%	0.00%	0.00%			0.00027%